

April 7, 2006

Dr. Richard A. Justman, M.D.  
National Medical Director  
UnitedHealthcare  
5901 Lincoln Drive  
Edina, MN 55436

Re: Evaluation and Management (E/M) Utilization

Dear Dr. Justman,

The American Academy of Family Physicians (AAFP) educates and encourages its members to appropriately document and correctly code their evaluation and management (E/M) services. It is important to the AAFP that all insurers pay physicians for the appropriate level of care that is delivered, documented, and coded. Payers need to be aware that there are multiple reasons why they are and will see an increase in the frequency of physicians' billing higher-level E/M services.

Family physicians have historically under-coded office visits. In a research study published in the October 2004 *Annals of Family Medicine*, "How Many Problems Do Family Physicians Manage at Each Encounter?," the family physicians reported managing an average of 3.05 problems per encounter and recorded 2.82 in the chart and 1.97 on the bill. They also selectively omitted mental health and substance abuse problems from the diagnoses used for billing. Family medicine involves the concurrent care of multiple problems, which billing data do not adequately reflect due to inefficiencies in coding and billing.

Additionally, public and private insurer fraud and abuse programs and physician profiling/outlier programs have produced defensive coding patterns. The AAFP published an article, "Are You Prepared to Defend Your Coding?," in the June 2005 edition of *Family Practice Management* with the purpose of emphasizing appropriate, accurate coding, a compliance plan, and how to respond to a payer's profiling letter/report (<http://www.aafp.org/fpm/20050600/17arey.html>).

Other contributors to the entire E/M coding utilization shift to the higher-levels include: the greater proportion of Americans being older, many of whom suffer from an increasing prevalence of chronic disease(s); increase in treatment options for medical conditions; shift to treat patients in an ambulatory setting versus a hospital. All of these changes combine to result in patients needing more complex care than they did a generation ago.

When a family physician treats a patient requiring complex medical care, physicians and/or their office personnel who code for office visits have been educated and advised by the Academy to familiarize themselves with the instruction in the CPT Manual so that patient visits are correctly coded. Having a compliance plan is recommended. A good way to ensure adherence to proper coding is to have a compliance plan: see “Are You Prepared to Defend Your Coding?,” in the June 2005 edition of *Family Practice Management*, (<http://www.aafp.org/fpm/20050600/17arey.html>).

It is the opinion of the AAFP that initiatives such as the following will enhance the opportunity for family physicians to correctly capture the coding for complex patient care episodes:

- Improved education in proper coding and documentation of E/M services;
- Implementation of electronic health records that capture visit data and assist physicians in correct coding and billing;
- Increased adoption of office systems and technologies (e.g., patient registries, reminder systems) that facilitate the provision of enhanced preventive and chronic care during an office visit;
- Implementation of planned care to better manage multiple and increasingly complex chronic diseases in an office visit;
- Increased use of asynchronous patient communications to manage chronic diseases, request refills, view lab reports, and treat minor acute care needs resulting in less frequent, more intense office visits.

These enhancements result in family physicians providing more of the right care in the right place at the right time and to the appropriate use of higher levels of E/M coding. It is the expectation that payment for higher-level E/M services is not adding cost to the health care systems as efficiencies, effectiveness, and higher-quality care are actualized.

The AAFP encourages family physicians to work in collaboration with payers to assure a common understanding of the use of higher level E/M CPT codes in a changing practice environment. In closing, the AAFP will continue to do its best to educate its members on appropriate coding, documentation, and billing for medical care provided as well as advocate for fair payer business practices and payment policies. It is our hope that all private payers recognize the shift in the intensity of E/M services.

We welcome open dialogue on this topic and encourage ongoing communications. Please contact Trevor Stone, Private Sector Advocacy Specialist, at (800) 274-2237, ext. 4178 to arrange follow-up conversations with the Academy on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Mary E. Frank, MD". The signature is written in a cursive, flowing style.

Mary E. Frank, MD, FAAFP  
Board Chair

Other AAFP Resources:

Coding and Reimbursement policy - <http://www.aafp.org/x16325.xml>

Center for Health Information Technology – <http://centerforhit.org>

Family Practice Management - <http://www.aafp.org/fpm.xml>